

If this item is pulled from the consent agenda the following motion would be in order:

POSSIBLE MOTION

I MOVE TO approve the minutes of the May 22 & 29, 2012 Assembly meetings.



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
Sitka, AK
(907)747-1811

Minutes - Draft City and Borough Assembly

*Mayor Cheryl Westover
Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif*

*Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, May 22, 2012

5:00 PM

Assembly Chambers

SPECIAL MEETING - FY2013 Budget - 5:00 PM

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

- A **ORD 12-17** Adopting Budgets for the Fiscal Year July 1, 2012 through June 30, 2013

Finance Director, Jay Sweeney, presented a spreadsheet showing proposed decrements and unallocated General Fund monies.

Dinley clarified that these were projected additional funds from the school district, legislation and increased revenue sharing and were not included in the original budget. The unallocated funds are unobligated and available to bring back some of the decremented items.

The following people spoke in support of the Parks and Rec Manager Position: Hans VonRekowski, John Stein, Stephen Morse.

REGULAR MEETING - 6:00 PM

- IV. CORRESPONDENCE/AGENDA CHANGES

Item I was postponed.

Recess from 5:58 PM to 6:03 PM.

Government-to-Government Update with Sitka Tribe of Alaska

STA Representative, Dale Williams, gave an update on what has been happening within the Tribe. He noted that the Herring Summit was successful. He spoke of how proud the Tribe was of the members who had and were currently serving in the military. Williams extended an invitation to the Assembly for a Government to Government dinner with STA at the Assembly's convenience.

VI. PERSONS TO BE HEARD

Sarah Bell, Library Director, shared that a special showing of photos taken within Afghanistan would take place at the library Sunday, May 27.

Rick Harris, Sealaska Executive Vice President, spoke of Sealaska signing a historic MOA with STA on five cultural properties within Sitka giving full management to STA. He shared that the land legislation was still out there to convey native cultural sites back to Sealaska.

Jaeleen Araujo, Sealaska Vice President and General Counsel, gave an update on Redoubt. And color of title was filed by Sheldon Jackson College delaying the process of conveyance. She spoke of drawing up a MOU with CBS on Redoubt with continuing use of the area for all Sitkan residents.

VII. REPORTS

Larry Markley, CBS Lobbyist, gave a legislative update. One earmark that occurred was the breakwater project funded at \$8 million dollars by Corp of Engineers, the only construction project funded by COE this fiscal year. Most of the work he has done for the past 12 months has been through agencies vs with the delegation. The delegation really powered Sitka's items through. He has really tried to drum up support to combat the invasive species in Whiting Harbor, and managed to get \$500,000 in support. The Blue Lake Expansion is on a lot of peoples radar in the Legislature. At the active encouragement of Sitka, Senator Murkowski had introduced a bill trying to get hydroelectric classified as renewable energy resource. Sitka is received well in DC.

a. Mayor, b. Administrator, c. Attorney, d. Liaison Representatives, e. Clerk, f. Other

Mayor - Congratulated Sitka on being chosen for a second time as a Bronze Level Bicycle Friendly Community.

Administrator - Reiterated how much care CBS staff put into coming up with the budget this year.

Other - McConnell attended two American Government Classes at SHS on deficit budget challenges and also attended the USCG change of command ceremony.

VIII. CONSENT AGENDA

A 12-75 Approve the minutes of the May 8, 2012 Assembly meeting

This item was APPROVED ON THE CONSENT AGENDA.

- B 12-76** Authorize the sale/donation of Ladder 7 "Smokey Blue" to the City of St. George - Alaska Public Safety paying for transport and find that competitive bid is inappropriate due to the nature of the property or circumstances surrounding its disposal
- Dave Miller, Fire Chief, came forward and explained why the sale was taking place and that their current truck is virtually unusable.
- A motion was made by Christianson that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett
- C 12-74** Approve the hiring of Al Stevens as Assistant Fire Chief
- Dinley stated that hiring Stevens at this salary makes the wage competitive with what is being paid around the state.
- A motion was made by Hackett that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett
- D RES 12-11** Setting the Millage Rates for the Fiscal Year July 1, 2012 through June 30, 2013
- Randy Hughes, Municipal Assessor, explained that it was a simple housecleaning issue as the mill rate is set with a cap of 6 mill.
- A motion was made by Hackett that this Resolution be APPROVED. The motion PASSED by the following vote.**
- Yes:** 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett
- IX. UNFINISHED BUSINESS:**
- E 12-73** Reappoint Mike Coleman to a term on the Port and Harbors Commission.
- Westover recused herself as Coleman is her nephew.
- Assembly members thanked Coleman for his hard work and willingness to serve.
- A motion was made by Hackett that this Item be APPROVED. The motion PASSED by the following vote.**
- Yes:** 6 - McConnell, Blake, Christianson, Esquiro, Reif, and Hackett
- Recused:** 1 - Westover
- F ORD 12-14** Adjusting the FY 2012 Budget for known changes as part of the Second Quarter Budget Execution Review.
- A motion was made by McConnell that this Ordinance be APPROVED. The motion PASSED by the following vote.**

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

G ORD 12-15 Amending SGC Chapter 1.25 entitled "Public Records" at Subsection 1.25.08 entitled "Appeals"

Hillhouse clarified it was a clerical.

A motion was made by Hackett that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

H ORD 12-16 Amending the SGC at Chapter 15.05 entitled "Water Service" at Subsection 15.05.620 entitled "Rates and Fees" to adjust the rates for water service

A motion was made by McConnell that this Ordinance be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

I ORD 12-06 Amending the Sitka General Code by repealing the sales tax exemption provision currently at Sitka General Code subsection 4.09.100Y for "exemption for retired persons who have reached the age of sixty-five," and adding a new section 4.09.105 entitled "Sales Tax Exemption for Sitka Senior Residents"

A motion was made by Christianson that this Ordinance be POSTPONED to the May 29 Special Meeting. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

X. NEW BUSINESS:

J 12-77 Authorize the Administrator to sign a Professional Services Agreement with Power & Control Engineering - Engineering Services Electrical Department

Chris Brewton, Electric Director, explained one FTE position would be terminated at the end of the Blue Lake Project and one position might be reclassified in consideration of future projects. He spoke of the wonderful job Dryden had done and that he has been heavily recruited by other entities in the state for his expertise. Brewton recognized Dean Orbison and Paul Carson for their commitment and great work they are doing for the city.

Reif pointed out that the compensation was extremely reasonable.

Hackett commended the whole Electric Department for working so hard and keeping it operating so smoothly.

A motion was made by McConnell that this Contract/Agreement be

APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

K 12-68 Approval of Contract Coordinator for the Blue Lake Expansion Project - Electric Department

Electric Director, Chris Brewton, explained that this position would work strictly with the contracts for the Blue Lake Expansion Project. He stated it would be filled in-house by an employee who is qualified and is already familiar with and working on the project. He stated that this position would expire with completion of Blue Lake Expansion.

A motion was made by McConnell that this Item be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

New Business First Reading

L RES 12-09 Urging the North Pacific Fishery Management Council to adopt measures that reduce the Halibut prohibited species catch in the Gulf of Alaska Groundfish Fisheries

Linda Behnken, Director of Alaska Longline Fisherman's Association, stated that halibut stocks have declined across the coast but is particularly severe in the Southeast area. She reported that the number of halibut that are killed as bycatch trawling is equal to the number of halibut that are taken in the commercial longline fishery. There has been a 75% reduction in the allocated commercial catch limit and a 34% reduction in the charter limit to let the stocks rebuild and at the same time no reduction in the bycatch limit. The North Pacific Fisheries Management Council will be looking at options to reduce the amount of bycatch limit in June.

A motion was made by Reif that this Resolution be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

M RES 12-10S RES 2012-10 S Regarding the Sitka Sustainable Outdoor Recreation Action Plan

Carol Goularte, Deputy Forest Supervisor, pointed out that it was important for the USFS to work with local communities to provide economic viability and listen to what the community has to say. The USFS has put \$50,000 into the project to further the future of recreation. This was a pilot project with Sitka as one of the first communities. The project is now complete and will be available to the public at the library and online.

Esquiro expressed concern about sustainability. McConnell served on the committee putting the project together and felt it would be a safe plan to support and in no way obligated CBS to implement projects.

A motion was made by McConnell that this Resolution be APPROVED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

N ORD 12-17 Adopting Budgets for the Fiscal Year July 1, 2012 through June 30, 2013

Continued discussion from earlier Special Meeting.

Recess from 9:20 PM to 9:26 PM.

A motion was made by Blake that this Ordinance be AMENDED by adding the following decrements back into the budget

- 1) Parks & Recreation Manager \$94,460**
- 2) Customer Service Representative \$25,214**
- 3) Summertime Groundskeepers \$ 56,500**
- 4) Assistant Clerk 3/4 Time \$15,650**
- 5) COLA Expense all Staff 2% \$162,000**
- 6) Support of Convention & Visitors Bureau \$43,320**
- 7) Support of Sitka Historical Society \$20,000**
- 8) Contractual Snow Removal \$16,500**
- 9) Library Operating Hours/Library Assistants \$26,160**
- 10) Centennial Building Supplies/Repairs/Maintenance \$4,800**
- 11) Infrastructure Maintenance Sinking Fund \$164,776**
- 12) Assessing Consultants & Equipment \$1,500**
- 13) Recreation Training & Contractual/Equipment \$12,300**

These AMENDMENTS PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

A motion was made by Christianson that this Ordinance be PASSED ON FIRST READING AS AMENDED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

XI. PERSONS TO BE HEARD:

None

XII. EXECUTIVE SESSION

None

XIII. ADJOURNMENT

Motion by McConnell to ADJOURN the meeting. The meeting ADJOURNED at 10:10 PM.

ATTEST:

Serena Wild
Deputy Clerk



CITY AND BOROUGH OF SITKA

ASSEMBLY CHAMBERS
330 Harbor Drive
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Minutes - Draft City and Borough Assembly

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Deputy Mayor Pete Esquiro, Vice-Deputy Mayor Thor
Christianson,
Terry Blake, Phyllis Hackett, Mim McConnell, and Mike Reif*

*Municipal Administrator: Jim Dinley
Municipal Attorney: Theresa Hillhouse
Municipal Clerk: Colleen Ingman, MMC*

Tuesday, May 29, 2012

6:00 PM

Assembly Chambers

SPECIAL MEETING

- I. CALL TO ORDER
- II. FLAG SALUTE
- III. ROLL CALL

Present: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

IV. CORRESPONDENCE/AGENDA CHANGES

None.

V. PERSONS TO BE HEARD

Mike Litman, came forward to speak on behalf of Sitka's for Responsible Government and updated the Assembly on their attempt to get a previous initiative on the October ballot. He would like to see the Assembly take a position on the matter.

VI. UNFINISHED BUSINESS:

- A **ORD 12-07** Amending the Sales Tax Exemption at Sitka General Code Subsection 4.09.100N entitled "Over One Thousand Dollars on Sales and Rents of Tangible Personal Property and on Sales of Services, and Over One Thousand Dollars in Rent or Lease of Real Property on a Monthly Basis"

David Wolff, Controller of Allen Marine, noted lines 74-76 and suggested reverting back to the original language. He further added, the proposed sales tax cap be raised no higher than \$1500.

Finance Director, Jay Sweeney, explained the ordinance. Sweeney stated the overall intent was looking for a way to generate additional revenue within the existing taxation framework.

A discussion among Assembly members followed regarding the bundling of transactions on single invoices.

A motion was made by Christianson to strike Line 58 to 60, beginning with "Any retail merchandise..." The motion was seconded by Reif.

Shirley Robards spoke against the ordinance. Kim Elliot spoke in support of a sales tax cap of \$1500.

The Assembly further discussed the possibility of a substitute ordinance which would revert back to the original language and raise the tax cap.

A motion was made by Christianson to POSTPONE this ordinance INDEFINITELY. The motion PASSED by the following vote:

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

B ORD 12-06

Amending the Sitka General Code by repealing the sales tax exemption provision currently at Sitka General Code subsection 4.09.100Y for "exemption for retired persons who have reached the age of sixty-five," and adding a new section 4.09.105 entitled "Sales Tax Exemption for Sitka Senior Residents"

From the audience:

Kim Elliot spoke in support of the amendments below. Alice Johnstone approved of what the Assembly was trying to do but wondered how it would be enforced. Sarah Williams, Shirley Robards, David Tjomsland, Mary Lou Vilandre, John Littlefield and Valorie Nelson spoke against the ordinance.

Assembly members offered their opinions on the amendments and ordinance.

The following amendment was postponed from the May 22 meeting and was on the floor:

A motion was made by Hackett/McConnell to amend Ordinance 2012-06 by adding or amending the following provisions:

- 1. SGC 4.09.105A.5 at line 186 add: Notwithstanding subsection A.4 above, if the applicant has a sales tax exemption card issued under prior SGC 4.09.100Y for "Retired Persons Who Have Reached The Age of Sixty-Five", and meets all other requirements of this section;**
- 2. Purpose section at line 29, by adding the following sentence: Seniors who hold sales tax exemption cards that were issued under SGC 4.09.100Y for "Retired Persons Who Have Reached The Age of Sixty-Five" will still qualify and are not subject to the income level means test, as long as the seniors meet all other requirements under this new exemption at SGC 4.09.105.**

The amendment PASSED by the following vote:

Yes: 6 - McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

No: 1 - Westover

McConnell hoped to see the public educated on the sales tax exemption rules. Christianson noted the main mode of enforcement would be citizens.

A motion was made by Reif to further amend the ordinance by striking all references to publicizing. The motion to amend PASSED by the following vote:

Yes: 6 - Westover, McConnell, Blake, Esquiro, Reif, and Hackett

No: 1 - Christianson

A motion was made by Christianson to amend line 49 of the ordinance from less than twice the federal poverty guidelines to three times the federal poverty guidelines. The amendment PASSED by the following vote:

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

A recess was taken from 8:22pm to 8:31pm.

The Assembly discussed the ordinance and guidelines for implementation.

A motion was made by Christianson that this Ordinance be PASSED ON FIRST READING AS AMENDED. The motion PASSED by the following vote.

Yes: 5 - McConnell, Blake, Christianson, Reif, and Hackett

No: 2 - Westover, and Esquiro

C ORD 12-17 Adopting Budgets for the Fiscal Year July 1, 2012 through June 30, 2013

McConnell wondered about raising fees for vehicles and how that would help create funds for road infrastructure. She also noted it was crucial to determine funding for the sinking fund. Reif agreed. He expressed the need for growth of the sinking fund.

A motion was made by McConnell that this Ordinance be PASSED ON FIRST READING AS AMENDED. The motion PASSED by the following vote.

Yes: 7 - Westover, McConnell, Blake, Christianson, Esquiro, Reif, and Hackett

VII. PERSONS TO BE HEARD:

None.

VIII. EXECUTIVE SESSION

None.

X. ADJOURNMENT

A motion was made by McConnell to ADJOURN. The meeting ADJOURNED by unanimous voice vote at 9:08pm.

ATTEST:

Sara Peterson
Deputy Clerk